

## **Policy Recommendations of the Small Business & Entrepreneurship Conference Participants**

**1. Ask the Legislature to restore investment in programs that support small businesses.**

### Action Items:

- Restore investment in existing SBDC infrastructure to expand support for small business to leverage federal dollars by matching with state funding
- Upgrade one SBDC in each of the six SBDC regions to receive accreditation as Small Business Development & Technology Centers (SBDTC) to be a next step for the Technology Accelerators

**2. The California Air Resources Board (CARB) should perform a comprehensive assessment of the interim costs for AB 32 implementation that affects small businesses and identify financing programs that could help alleviate those costs.**

### Action Items:

- CARB, in collaboration with California's small business leaders, should develop innovative market mechanisms designed to achieve the mandated emission reduction targets.
- CARB should provide implementation benchmarks and their implications prior to finalizing timelines for compliance.
- CARB should work with California small business leadership to develop a dialogue on all policy matters, including the development of regulations pertaining to the implementation of AB 32, and CARB should tailor all information related to AB 32 implementation according to the size of the business and the type of industry impacted.
- CARB should conduct an economic analysis of near-term, and mid-term costs of AB 32.

**3. Small business partnering in the state regulatory process.**

### Action Items:

- Hold agencies accountable to small business through the Office of Administrative Law prior to enactment and 3rd party review but subsequent to implementation- Recommend legislation for:
  - Strengthening the authority of Office of Administrative Law
  - Establishing 3<sup>rd</sup> party criteria protocol
  - Implementing elements of other regulatory flexibility acts
- Standardize economic impact analysis and review lower cost alternatives
  - Establish review criteria and standardize methodology through enforced use of the APA and conformity amongst regulatory agencies
  - Consider cumulative (multi-agency) effect in economic impact analysis
- Encourage early and meaningful small business participation in regulation drafting
  - Expand criteria to require small business workshop during regulation drafting through regulation or legislation
  - Consider an executive order to improve agencies notice and outreach processes to be more inclusive through better use of cutting edge technology, making California the leader in small business outreach.

**4. Implement a program to ensure that the current laws and regulations regarding SB/DVBE contracting procedures, laws and goals are enforced.**

### Action Items:

- Enforce compliance, including, but not limited to CUF, prompt pay and "Loss Leader," through creating an independent third party auditory review.

**5. Enhance and increase funding for loan guarantees and micro lending programs.**

Action Items:

- Support increasing SBA guarantee, decrease loan fees, streamline processes, and facilitate new SBA lenders.
- Encourage state and federal collaboration to raise loan guarantees to lower lender risk exposure.
- Increase micro-lending and technical assistance funds.

**6. Amend the CA Education Code to state that the priority of the K-16 public education system is to prepare students to compete and contribute to a global economy with the outcome being the ability to demonstrate the applied relevancy of their education.**

Action Items:

- Legislation

**7. Create a more effective and transparent system for the setting and monitoring actual utilization of SB/DVBE procurement inclusion goals.**

Action Items:

- Place the Governor's executive order S-O2-O6 into public contract code 10115.
- Require reporting of actual prime and sub spend vs. promise participation.
- Set aside contracts under \$500,000 for SB/DVBE.

**8. The state should shift the Minimum Franchise Tax into a uniform fee applicable to all business entities that incorporate.**

Action Items:

- Legislation should be introduced to eliminate the Minimum Franchise Tax and to increase Secretary of State filing fees for incorporations in an amount that offsets the loss of Minimum Franchise Tax revenue.

**9. Subject to significant cost containment small businesses will support legislation that requires shared financial responsibility among all stakeholders (employers, individuals, government, health industry, providers, insurers, etc.) to facilitate health care access for all.**

Action Items:

- Legislation should be introduced

**10. Eliminate barriers to capital through restructuring and developing creative forms for financing.**

Action Items:

- Streamline loan agreements, guarantee restrictions, and cost structures.
- Create more innovative and additional uses of pension funds for small businesses.
- Establish new public-private funding mechanisms to encourage investments in small businesses including emerging domestic markets and veterans.

**11. Execute the process of un-bundling State contracts.**

Action Items:

- Eliminate the practice of strategic sourcing.
- Review all contracts over \$500,000 for un-bundling.